

July 13, 1994

CC Docket No. 92-166

## SERVICE SHEET

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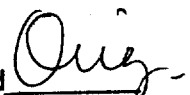
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UNITED STATES GOVERNMENT  
MEMORANDUM **RECEIVED**

Status of "Big LEO" Proceeding

**JUL 14 1994**

FEDERAL COMMUNICATIONS COMMISSION  
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This is a summary of the status of the rulemaking on mobile satellite services in the 1.6 GHz band, including geostationary and non-geostationary, low-earth orbit satellite systems (the "Big LEO" proceeding).

Motorola Communications, Inc. and Loral/Qualcomm Partnership, L.P. are two of six applicants seeking to construct mobile satellite service (MSS) systems in the 1.6 GHz band. Five of the six applicants propose low-earth orbit (LEO) systems; the other applicant (American Mobile Satellite Corp.) proposes a geostationary system. The LEO applicants propose two types of system architectures that are technically incompatible with each other.

In a negotiated rulemaking conducted last year, the applicants could not agree on a method that would accommodate all proposed systems. In a Notice of Proposed Rulemaking adopted last January, the FCC, among other things, proposed a LEO design requirement and a spectrum sharing plan that would accommodate up to five LEO systems. The Commission also indicated that if the parties were unable to support a single spectrum sharing plan and design rules, it would consider auctioning the spectrum among the mutually exclusive applicants. Other major issues to be resolved include identifying frequency bands for feeder link operations, developing inter-service sharing criteria between MSS and other services operating in the same or in adjacent frequency bands including the Russian Global Navigation Satellite System (GLONASS), adopting financial qualification requirements, and determining the regulatory classification of the space station licensee (i.e., common carrier or private carrier). The pleading cycle on the Notice was completed in late June. It appears that issues of mutual exclusivity remain.

Motorola and Loral/Qualcomm request Section 319(d) waivers to expend over \$30 million and \$28 million, respectively, for certain long-lead items for their proposed systems. They state that purchase of these items at this time would avoid delay in commencing operation and reduce the cost of their proposed systems. Both waiver requests have been opposed by other LEO applicants. In the past, the Commission has held Section 319(d) waiver requests for space stations without action until issues of mutual exclusivity among the underlying applications were resolved. This policy, inter alia, avoids claims that the Commission has prejudged the outcome of the rulemaking or licensing proceeding. Further, it may encourage competing applicants to negotiate a resolution of the mutual exclusivity issues.

Because the Section 319(d) proceedings are restricted under the FCC's ex parte rules, the Acting Chief of the Common Carrier Bureau (CCB) held a meeting on Friday, July 8, 1994 to which were invited all the LEO applicants and all other commenters. All except Comsat General Corporation attended. CCB explained that the meeting had been called in light of the potential benefits of this MSS service and reiterated the FCC's commitment to proceeding expeditiously. CCB specifically noted that since the first MSS applications were filed in late 1990, the FCC

has helped to procure an international allocation for MSS at WARC 1992, finalized a domestic allocation, conducted a negotiated rulemaking the following year, and adopted a Notice regarding licensing procedures shortly after that. CCB indicated that, consistent with precedent, it would defer action on the waiver requests until the LEO applicants reach a settlement or until the FCC adopts a spectrum sharing plan. CCB further indicated its preference for the applicants to reach an agreement and that the applicants were also more likely to prefer their own plan to one imposed by the FCC. CCB emphasized, however, that this is a high priority item, that the Commission is going to proceed quickly, and that it expects to have an item prepared in the next several months regardless of whether the applicants have reached an agreement on sharing the 1.6 GHz band. CCB also requested that the applicants keep CCB apprised informally of the status of their negotiations.

**NOTE:** The rulemaking proceeding is not restricted and normal (permit but disclose) ex parte rules apply. However, the 319(d) waiver applications, as well as the underlying satellite license applications, are restricted under the Commission's ex parte rules; therefore, any communication about the substance of those proceedings should be shared with all the parties. Similarly, any communication to the Commission concerning these proceedings should be served on all the parties. Substantive oral communications are prohibited unless all the parties are given an opportunity to be present. The Bureau can provide a service list of all the parties to these proceedings.

July 12, 1994